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June 15, 2012

Mr. Valmichael Leos
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Re: San Jacinto River Waste Pits Superfund Site
TCRA Monthly Report No. 005 for May 15-June 15, 2012
U.S. EPA Region 6, CERCLA Docket No. 06-12-10

Project Number: 090557-01

Dear Mr. Leos:

Attached please find TCRA Monthly Report No. 005 May 15-June 15, 2012.

This report was prepared on behalf of the International Paper Company and McGinnes Industrial Maintenance Corporation for the San Jacinto River Waste Pits Superfund Site in Channelview, Texas. Should you have any questions, please contact me at (228) 818-9626 or email me at dkeith@anchorqea.com.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Laplante".

John P. Laplante for David C. Keith
Project Coordinator

cc: Barbara Nann, USEPA

Phil Slowiak, International Paper

March Smith, MIMC

David Moreira, MIMC

Jennifer Sampson, Integral

TCRA Monthly Report No. 005
Submitted June 15, 2012
San Jacinto River Waste Pits Superfund Site
USEPA Region 6, CERCLA Docket No. 06-12-10
Channelview, Texas

This monthly report is submitted pursuant to the Administrative Settlement Agreement and Order on Consent for Removal Action: CERCLA Docket No. 06-12-10, Channelview, Texas, which became effective on May 17, 2010 (AOC). The Respondents are International Paper Company (IP) and McGinnes Industrial Maintenance Corporation (MIMC). This monthly report has been initiated to replace the weekly report that was formerly submitted to the United States Environmental Protection Agency (USEPA) for the same project. Approval to change from weekly to monthly reporting was requested by the Respondents from USEPA in accordance with Section VIII, Paragraph 49.a. of the AOC. USEPA granted approval of this requested change on January 18, 2012.

A. Summary of Work Performed – Dates: May 15, 2012 – June 15, 2012

The Respondents and Anchor QEA completed work on the following tasks:

- Submitted TCRA Monthly Progress Report No. 004 on May 15, 2012.
- Submitted TCRA Quarterly Inspection Report to USEPA on May 17, 2012.

B. Summary of Agency Communications

The written communications between the Respondents and USEPA, including and subsequent to the issuance of the Removal Action Work Plan (RAWP), are summarized in the attached Table 1.

C. Summary of Sampling Results

None for this report.

D. Problems, Delays, and Solutions

Notices of Violation

Respondents continue to dispute USEPA's allegations contained in USEPA's Notices of Violations dated January 14, January 21, and January 24, and on April 4, 2011, they submitted an additional notice of dispute to USEPA with respect to USEPA's Notice of Violation dated March 3, 2011, and certain statements contained in two other letters from USEPA dated March 3, 2011. They also dispute USEPA's rejection by letter dated February 16, 2011, of their force majeure claim. They submitted a Notice of Dispute to USEPA on March 18, 2011, and made a supplemental submittal to USEPA on September 9, 2011, in response to that letter. On August 11, 2011, Respondents received a letter from USEPA dated August 5, 2011, alleging non-compliance with deadlines contained in the AOC. Respondents submitted a notice of dispute to USEPA on September 9, 2011, in response to the August 5, 2011 letter, pursuant to which they dispute any claim by USEPA that they are subject to stipulated penalties under the AOC or associated with the TCRA, as to which construction was substantially completed as of July 14, 2011, several weeks ahead of the original schedule for its substantial completion.

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Access Issues

Respondents are continuing to address USEPA's requests related to access. USEPA had agreed to extend the deadline it had set for Respondents to obtain access from San Jacinto River Fleet (SJRF), as the new owner of the property once owned by Big Star Barge & Boat Company, Inc. Subsequently, in an email dated October 6, 2011, USEPA's counsel asked Respondents to continue to work with SJRF to obtain access to the SJRF property but removed the deadline that had previously been set for Respondents to obtain such access. In an email dated October 7, 2011, SJRF's Vice-President, Brian Darnell, stated that Respondents could access portions of the SJRF's property, and in a later email dated October 14, 2011, identified conditions that would be required for access to the other portions of the SJRF property. Respondents reviewed those conditions and responded to Mr. Darnell's October 14, 2011 email, by email, dated October 31, 2011, a copy of which was sent to USEPA. On December 27, 2011, Respondents received a response from Mr. Darnell to their October 31, 2011 email, and are in the process of addressing how to respond. Respondents will continue to pursue efforts to reach an access agreement with SJRF. USEPA had raised questions regarding a submission made by MIMC's counsel on September 30, 2011, regarding access issues with respect to the western boundary of the impoundments. Counsel for both of the Respondents have made submissions to USEPA in response.

SJRF Operations

Respondents have notified USEPA of, and addressed in their monthly reports under the Unilateral Administrative Order for the Site, their concerns regarding SJRF's operations in the vicinity of the Site. These concerns are applicable to the TCRA as well due to potential adverse impact on the TCRA armored cap constructed at the Site. Pursuant to an email dated February 9, 2012, USEPA's counsel forwarded to Respondents' counsel a copy of a draft sampling and analysis plan prepared for SJRF (SJRF Draft SAP). The SJRF Draft SAP purports to address "existing environmental impact that could be disturbed by SJRF's commercial operations" in the vicinity of the Site. Respondents submitted correspondence dated March 8, 2012, to USEPA on the Respondents' concerns regarding potential impacts of SJRF's operations on the TCRA armored cap. The March 8, 2012 correspondence included Respondents' comments on the SJRF Draft SAP. On May 1, 2012, the Respondents' counsel were informed by USEPA's counsel that the SJRF Draft SAP remained under review by USEPA. On May 16, 2012, USEPA's counsel provided Respondents' counsel with comments from the U.S. Department of Commerce National Oceanic and Atmospheric Administration (NOAA), the Texas Commission on Environmental Quality (TCEQ), and the Harris County Pollution Control Services Department regarding the SJRF Draft SAP. On June 12, 2012, USEPA forwarded Respondents' Project Coordinator a copy of USEPA's June 12, 2012 correspondence with the SJRF pursuant to which

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it transmitted to SJRF its comments on the SJRF Draft SAP. Respondents intend to continue to work with USEPA on this issue.

E. Projected Work for the Next 2 Months – Dates: June 15, 2012-August 15, 2012

The Respondents and Anchor QEA expect to complete the following tasks in the next 2 months:

- Continue to work with USEPA to address impacts of the SJRF's operations on the Site.
- Address USEPA comments, if any, regarding the Revised Draft Final Removal Action Completion Report, which Respondents submitted to USEPA on March 9, 2012.

F. Schedule

Attached is the approved project construction schedule, which is being included as directed by USEPA in a letter from Valmichael Leos to David Keith of Anchor QEA dated February 10, 2011. The approved construction schedule is out of date, as it references armor cap materials whose designations have now changed (as explained in the approved revised RAWP [Revised RAWP]), and includes "start" and "finish" dates for these materials that are no longer applicable since the sequencing of placement of the construction materials has also changed, as explained in the approved RAWP. Note that armor cap material designations referred to above are based on the approved Revised RAWP.

A proposed updated project construction schedule, based on Respondents having obtained access to the Texas Department of Transportation Right-of-Way (TxDOT ROW), and secured a lease for a laydown area and dock facility, was transmitted to USEPA on February 14, 2011. Respondents prepared the updated project construction schedule pursuant to USEPA's direction, and it further revised and updated the schedule presented and submitted to USEPA at a January 31, 2011, meeting. On March 3, 2011, USEPA provided a letter indicating the proposed schedule was not approved and invited Respondents to request a meeting with USEPA if desired. A meeting with USEPA regarding the schedule took place on March 24, 2011, and based on that meeting, the Respondents did not submit a revised schedule. USEPA suggested during the March 24, 2011 meeting that the schedule be discussed in June or July, 2011. Respondents note that the USEPA's August 5, 2011 letter (received by them on August 11, 2011) identifies alleged failure to meet construction deadlines contained in the outdated construction schedule. As noted above, Respondents on September 9, 2011 submitted a notice of dispute to USEPA with respect to the August 5, 2011 letter and any alleged violations of or non-compliance with the AOC with respect to such deadlines.

Table 2 presents a summary list of the major cap construction elements and their dates of completion. Please note that the tasks set out in Table 2 do not coincide with the tasks listed in the approved project construction schedule since, as discussed above, the approved schedule is out of date. In addition, the material designations referred to below are based on the approved

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Revised RAWP, which contains material designations that differ from those referred to in the out-of-date approved project construction schedule.

Table 2 – Summary of Cap Construction Elements

Task	Date Completed
Water-side geotextile placement	May 16, 2011
Water-side placement of Cap A material	May 19, 2011
Water-side placement of Cap C material	May 13, 2011
Water-side placement of Cap D material	May 16, 2011
Clearing and grubbing of Western Cell	April 8, 2011
Stabilization of Western Cell	May 17, 2011
Land-side granular fill placement in Western Cell	May 24, 2011
Land-side LLDPE placement in Western Cell	June 1, 2011
Land-side placement of Cap A material ¹	May 19, 2011
Land-side placement of Cap B/C material	June 24, 2011
Land-side placement of Cap D material	July 12, 2011

1. On June 24, 2011 the more protective Cap B/C rock was placed in a small portion of the Western Cell in which Cap A rock was originally going to be placed to complete the work in this area.

Prepared by:

John P. Laplante /for/

David C. Keith, Project Coordinator

Respondents Submittal Date	Respondents Communication Summary	Response from USEPA Date	USEPA Communication Summary	Notes
1/18/2012	Email from D. Keith to V. Leos acknowledging USEPA agreement to begin monthly TCRA progress reporting.	1/18/2012	Email from V. Leos agreeing that weekly summary report are no longer needed and to move to monthly and revisit this later after the first cap inspection.	
1/27/2012	Email from W. Mears to V. Leos providing update on first TCRA OMMP monitoring event progress.			
1/31/2012	Email from W. Mears to V. Leos providing update on first TCRA OMMP monitoring event progress.			
		2/9/2012	Email from J. Hernandez to Respondents' counsel forwarding draft pre-construction baseline site assessment work plan for San Jacinto River Fleet project ("SJRF Draft SAP").	
		2/14/2012	Email from J. Hernandez to Respondents' counsel forwarding copy of USEPA letter to San Jacinto River Fleet dated 12/1/2012.	
		2/15/2012	Email from J. Hernandez to Respondents' counsel regarding deadline for comments on the SJRF Draft SAP.	
2/15/2012	TCRA Monthly Progress Report 001 email from J. Laplante to V. Leos and five hard copies.			
2/21/2012	Submitted TCRA Quarterly Inspection Report - January 2012 Inspection to USEPA.			
3/8/2012	Submitted correspondence to J. Hernandez regarding SJRF operations and comments on SJRF Draft SAP.			
3/9/2012	Submitted Revised Draft Final Removal Action Completion Report (RACR), including responses to USEPA's comments on the Draft Final RACR.			
3/15/2012	TCRA Monthly Progress Report 002 email from J. Laplante to V. Leos and five hard copies.			
3/30/2012	Letter from International Paper to USEPA Region 6 Administrator regarding financial assurance.			
4/16/2012	TCRA Monthly Progress Report 003 email from J. Laplante to V. Leos and five hard copies.			
5/1/2012	Email response from Respondent's counsel to USEPA's J. Hernandez acknowledging USEPA's status update on the SJRF Draft SAP review.	5/1/2012	Email from J. Hernandez to Respondents' counsel regarding SJRF Draft SAP still currently under USEPA review.	
5/15/2012	TCRA Monthly Progress Report 004 email from J. Laplante to V. Leos and five hard copies.			
		5/16/2012	Emails from J. Hernandez to Respondents' counsel providing comments from NOAA, TCEQ, and the Harris County Pollution Control Services Department to the SJRF Draft SAP.	

Respondents Submittal Date	Respondents Communication Summary	Response from USEPA Date	USEPA Communication Summary	Notes
5/17/2012	Submitted TCRA Quarterly Inspection Report - April 2012 Inspection to USEPA.			
		6/12/2012	Received copy of 6/12/2012 correspondence from USEPA to SJRF providing USEPA's comments to the SJRF Draft SAP.	

SAN JACINTO RIVER WASTE PITS SUPERFUND SITE

